— The various marketing initiatives and other innovative measures taken by the Company to improve capacity utilisation, including On-time performance and maintaining market share include the recent "Flexi-Fare' Policy, Holiday packages, FFT, Corporate Deals, enhancement of standard of customers service etc.

— The Company has been inducting capacity in consonance with the market demand and to meet its growth target The lease of two A-300 B4 aircraft renewed for another 3 years till May/June 2003 and twoA-320 aircraft inducted on lease April/May 2001. Two more A-320 aircraft were be inducted on lease in second half of 2001-02 and two more A-320 aircraft will join the fleet at the end of 2001-02.

— Government has decided in principle to infuse Rs. 325 crores as equity in the form of margin money for acquisition of new aircraft.

(d) Government of India has decided, in principle, to release an amount of Rs. 325 crores as equity infusion in Indian Airlines in the form of margin money for acquisition of aircraft. This will enable Indian Airlines to replace its ageing fleet and thereby reducing the cost on account of maintenance. It will also enable Indian Airlines to augment its fleet resulting into, increase capacity and improved market share.

**Reduction in the operational cost of IA and AI**

469. SHRI LAJPAT RAI:

SHRIMATIGURCHARAN KAUR:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether there has been any improvement in the financial position of Air India and Indian Airlines during the current year as compared to the last two years;

(b) if so, the details thereof; and

(c) the steps Government have taken to reduce the operational cost in these PSUs?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) and (b) The financial position of Air India and Indian Airlines during last three years is as under:—

| Year | Air India | Indian Airlines |
|---|---|---|
| 1999-2000 | (37.63 | 51.42 |
| 2000-2001 | (44.40) | (159.17) |
| 2001-2002 | 2150 | (199.35) |
| | (Budgeted) | (April to September 2001) |

While Air India is expected to make profit this year after as gap of six years, Indian Airlines is able to contain its losses inspite of major cost increases in insurance premium, ATF prices, landing and navigational charges and poor tragic in the aftermath of terrorist attacks at Colombo in July 2001 and the incidents in US in September 2001.

(c) Air India has taken various steps to reduce the operational cost, which include:— (i) withdrawing of capacity from inherently loss making routes and redeploying it on more profitable routes; (ii) maximising the utilisation of the fleet within the constraints of pilot availability; (iii) dry leasing of aircraft to augment capacity; (iv) improvement in inflight service; (v) introduction of e-marketing effective January 2002 to enable passengers to make on-line bookings through the net; (vi) reduction in staff strength in India and abroad and (vii) abolition of several posts of India based officers abroad in the various departments.

Indian Airlines has taken following steps to improve revenue and contain operational costs; (i) Ban on direct recruitment from outside other than critical areas like Operations and Engineering; (ii) Route rationalization and deployment of aircraft based on market requirements; (iii) Introduction of market responsive flexi fare policy; (iv) Innovative market strategies, (v) Acquisition of aircraft on lease to replace aging aircraft/augmentation ot capacity; (vi) Improvement in the quality of product/customer services and (vii) Cost Control and Economy Measures.

**Modernisation of Ludhiana Airport**

470. SHRIMATI GURCHARAN KAUR: SHRI LAJPAT RAI:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) what are the ongoing projects for modernisation of airports;

(b) what are the other projects proposed to be undertaken during the next financial year; and